

AGENDA BILL APPROVAL FORM

Agenda Subject: Resolution No. 4578 – Interlocal Agreement for Resource Conservation Management Services		Date: March 15, 2010
Department: Human Resources	Attachments: Resolution No. 4578	Budget Impact:
Administrative Recommendation: City Council adopt Resolution No. 4578.		
Background Summary: <p>The Finance Committee has been requested to discuss an inter-local agreement establishing a Resource Conservation Manager (RCM) position for both the City of Auburn and the City of Federal Way. The RCM will be shared 50/50, between the two cities. Federal Way is the lead agency.</p> <p>A RCM is an individual tasked with supporting a local government energy and resource efficiency program. The RCM will be tasked with bringing about reductions in the expenditures for energy (electricity, natural gas, fuel oil), water, solid waste disposal, recycling and other utilities. These reductions are accomplished through improved practices, analysis of utility billings and use of resource management equipment.</p> <p>The RCM program is partially funded by grants through Washington State University and Puget Sound Energy. The grant performance period is 3 years.</p> <p>(continued on Page 2)</p> <p style="margin-top: 20px;">S0405-2 A3.16.6</p>		
Reviewed by Council & Committees: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Arts Commission <input type="checkbox"/> Airport <input type="checkbox"/> Hearing Examiner <input type="checkbox"/> Human Services <input type="checkbox"/> Park Board <input type="checkbox"/> Planning Comm. </div> <div style="width: 45%;"> COUNCIL COMMITTEES: <input checked="" type="checkbox"/> Finance <input checked="" type="checkbox"/> Municipal Serv. <input type="checkbox"/> Planning & CD <input type="checkbox"/> Public Works <input type="checkbox"/> Other _____ </div> </div>		Reviewed by Departments & Divisions: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Building <input type="checkbox"/> Cemetery <input checked="" type="checkbox"/> Finance <input type="checkbox"/> Fire <input type="checkbox"/> Legal <input type="checkbox"/> Public Works <input type="checkbox"/> Information Services </div> <div style="width: 45%;"> <input type="checkbox"/> M&O <input type="checkbox"/> Mayor <input type="checkbox"/> Parks <input type="checkbox"/> Planning <input type="checkbox"/> Police <input checked="" type="checkbox"/> Human Resources </div> </div>
Action: Committee Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No Council Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No Referred to _____ Until ____/____/____ Tabled _____ Until ____/____/____ <div style="text-align: right;">Call for Public Hearing ____/____/____</div>		
Councilmember: Backus		Staff: Heineman
Meeting Date: April 5, 2010		Item Number: IX.B.2

Background Summary (continued):

Anticipated funding allocations based upon \$80,000 annual program cost:

FIRST YEAR:

City of Auburn	\$8,000	
City of Federal Way		\$ 8,000
WSU grant		\$50,000
PSE grant		\$14,000

	\$80,000	

SECOND YEAR:

City of Auburn	\$20,500	
City of Federal Way		\$20,500
WSU grant		\$25,000
PSE grant		\$14,000

	\$80,000	

THIRD YEAR:

City of Auburn	\$33,000	
City of Federal Way		\$33,000
WSU grant		\$0
PSE grant		\$14,000

	\$80,000	

RESOLUTION NO. 4 5 7 8

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN INTERLOCAL AGREEMENT ESTABLISHING JOINT RESOURCE CONSERVATION MANAGEMENT SERVICES FOR BOTH THE CITY OF AUBURN AND THE CITY OF FEDERAL WAY

WHEREAS, the City of Auburn, Washington, a municipal corporation (hereinafter referred to as "Auburn"), and the City of Federal Way, Washington, a municipal corporation (hereinafter referred to as "Federal Way"), (hereinafter collectively referred to as "the Parties"), wish to work together to establish joint Resource Conservation Management services; and

WHEREAS, chapter 39.34 RCW, the Interlocal Cooperation Act, authorizes municipalities in Washington to enter into agreements for the joint undertaking of certain projects as provided therein; and

WHEREAS, the Parties are working as partners to pursue a two-year Resource Conservation management grant ("Grant") from the Washington state Department of Commerce, which, if received, will be used to start a Resource Conservation Management Program ("Program") to serve all the Parties; and

WHEREAS, the parties may elect to participate in a Resource Conservation Manager services agreement with Puget Sound Energy, as set

forth and under the terms and conditions of an Energy Conservation Grant for Resource Conservation manager Services; and

WHEREAS, the Program would study and address how each Party could use utility resources, including water, sewer, electricity, oil and natural gas, more efficiently; and

WHEREAS, Washington State University Extension Energy Program will provide program and technical support to assist with the shared Program; and

WHEREAS, Federal Way is willing to take the lead in providing administrative oversight of the Program on behalf of all the Parties, and to become the "organization of record" pursuant to the Grant requirements; and

WHEREAS, the Interlocal Agreement is entered into for the mutual benefit of the Parties.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, KING COUNTY, WASHINGTON, HEREBY RESOLVES as follows:

Section 1. Purpose. That the City Council of the City of Auburn approves the Interlocal Agreement establishing joint Resource Conservation Management services for both the City of Auburn and the City of Federal Way in substantial conformity with the agreement attached hereto as Exhibit "A" and incorporated herein by this reference.

Section 2. That the Mayor of the City of Auburn, and the City Clerk are authorized to execute the Interlocal Agreement Establishing Joint Resource Conservation Management Services for both the City of Auburn and the City of Federal Way.

Section 3. Implementation. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 4. Effective date. This resolution shall be in full force and effect upon passage and signatures hereon.

Dated and Signed this _____ day of _____, 2010.

CITY OF AUBURN

PETER B. LEWIS
MAYOR

ATTEST:

Danielle E. Daskam, City Clerk

APPROVED AS TO FORM:



Daniel B. Heid, City Attorney

INTERLOCAL AGREEMENT BETWEEN THE CITIES OF AUBURN AND FEDERAL WAY FOR RESOURCE CONSERVATION MANAGEMENT SERVICES

This Interlocal Agreement is made and entered into this _____ day of _____, 2010, by and between the City of Auburn, Washington, a municipal corporation (hereinafter referred to as "Auburn"), and the City of Federal Way, Washington, a municipal corporation (hereinafter referred to as "Federal Way"), (hereinafter collectively referred to as "the Parties").

WHEREAS, chapter 39.34 RCW, the Interlocal Cooperation Act, authorizes municipalities in Washington to enter into agreements for the joint undertaking of certain projects as provided therein; and

WHEREAS, the Parties are working as partners to pursue a two-year Resource Conservation Management Grant ("Grant") from the Washington State Department of Commerce, which, if received, will be used to start a Resource Conservation Management Program ("Program") to serve all the Parties; and

WHEREAS, the Parties may elect to participate in a Resource Conservation Manager services agreement with Puget Sound Energy, as set forth and under the terms and conditions of an Energy Conservation Grant for Resource Conservation Manager Services; and

WHEREAS, the Program would study and address how each Party could use utility resources, including water, sewer, electricity, oil, and natural gas, more efficiently; and

WHEREAS, Washington State University Extension Energy Program will provide program and technical support to assist with the shared Program; and

WHEREAS, Federal Way is willing to take the lead in providing administrative oversight of the Program on behalf of all the Parties, and to become the "organization of record" pursuant to the Grant requirements; and

WHEREAS, this Interlocal agreement is entered into for the mutual benefit of the Parties.

Now, therefore, for and in consideration of the services to be rendered, resources to be shared, and the payments to be made, the parties hereby recite, covenant and agree as follows:

1. **Resource Conservation Manager Position & Work Plan.** If the Grant is received, a Resource Conservation Manager (RCM) will be hired as a temporary full-time equivalent (FTE) to provide RCM services to the Parties. Prior to advertising for a contractor, the Parties shall meet to prepare a Work Plan for the RCM.

At the minimum, the Work Plan shall address, and the RCM is expected to implement, the following:

- Energy Accounting (utilizing software provided under the Grant);
- Basic utility efficiency and resource management action plan for facilities;
- Review of resource use and potential actions;
- Implementation of low-cost/no-cost measures and activities, and measurement of results;
- Assisting the Parties in securing additional grant funding and assisting in finding rebate programs that support relevant energy efficiency projects;
- Participating in technical and software training;
- Reporting of results to all Parties' administrations; and
- Reporting of results and successes to Commerce and the WSU Extension Energy Program.

2. **Selection of RCM.** Representatives from both Federal Way and Auburn will jointly participate in hiring the individual pursuant to personnel practices of the Parties. The RCM will be hired as soon as practicable following execution of this contract.
3. **Compensation.** Federal Way shall pay the FTE's salary if an employee is hired, and shall prepare billing statements for distribution to the Parties. Federal Way will be responsible for paying and enrolling any applicable Public Employee Retirement System (PERS) for the FTE and pay any applicable payroll taxes associated with the FTE's salary. For amounts in excess of what any Grant funds cover, Auburn shall reimburse Federal Way 50% of any such excess, unless allocation of the RCM's time is not 50/50, in which case, Section 4 will control. The reimbursement schedule will be established consistent with payment terms set forth in the contract with the RCM.
4. **Allocation of RCM time.** Representative from both Federal Way and Auburn will jointly supervise the RCM and provide an annual evaluation of the RCM. In the event of discipline/counseling is deemed necessary, both the City of Auburn and City of Federal Way will confer with each other and gain consensus before imposing the discipline/counseling. The City of Federal Way's Policies and Procedures will control the process for discipline. Both the City of Federal Way and Auburn will jointly assume the risk and liabilities associated with evaluations and disciplinary actions imposed on the RCM. The RCM shall allocate his or her time 50/50. The RCM will spend 50% of his/her time performing RCM services

on behalf of Auburn and the other 50% on behalf of Federal Way with the duties outlined in the RCM Work Plan. For purposes of efficiency and effectiveness the RCM may be required to spend Additional Time, more than 50% of their time with one Party in a month. In this event, for compensation purposes, the Party receiving Additional Time will be responsible for cost of the actual time over 50% and the other Party shall receive a credit for this actual time.

The proportions will hold for 12 months, and will be reevaluated annually. If operations require or result in a notable change in resource consumption with one or both of the Parties within a given 12-month period, Federal Way or Auburn can call for a reevaluation of the established annual proportion. Adjustments can then be made with the written agreement of both Parties.

5. **Status and Workspace.** Federal Way and Auburn shall make a workspace available, to include a desk, chair, and access to standard office equipment and computer connections.

6. **Additional Responsibilities of All Parties.** As the lead Party, Federal Way shall have the following additional responsibilities:

- Represent all Parties in communication with the Washington State Department of Commerce (Commerce) and Washington State University Extension Energy Program (WSU Energy);
- Provide WSU Energy with summarized monthly activity reports, showing activities associated with the minimal program requirements as stated above;
- Provide WSU Energy with quarterly reports indicating resource usage and savings, resource expenditure amounts and savings; and
- Provide Commerce with reports as per the anticipated agreement between Commerce and Federal Way, acting as lead for Parties.

7. **Support and Monitoring of RCM.** The Parties shall support and monitor the performance and progress of the RCM in the following ways:

- Meet at regular intervals to assess RCM progress;
- Seek support of the Puget Sound Energy RCM Support Services; program. Each Party must provide data and application materials to Federal Way if necessary to apply for grant funds in connection with the PSE program;
- Establish a performance evaluation process for the RCM;
- Provide access of all owned facilities to RCM;
- Provide access to RCM of all utility bills, statements, and data; and
- Facilitate meetings between RCM and facilities managers, and RCM and other appropriate staff.

8. **Term.** This agreement shall only take effect after the Grant is approved, and thereafter shall continue in force and effect for the duration of the two-year grant program. Extension of the terms of this agreement beyond the initial two-year grant period may be affected by written agreement of the parties.
9. **Termination.** Any Party may terminate its participation in this Interlocal Agreement, or its receipt of RCM services, at any time for any reason by providing at least sixty (60) days advance notice of termination in writing to the other Parties. However, the Party requesting termination must continue to reimburse Federal Way pursuant to Section 3 of this Agreement until completion of the Grant program unless all remaining Parties agree to new reimbursement responsibilities and amounts resulting from updated proportions.
10. **Modification.** This Agreement may be modified by further written agreement upon mutual acceptance by both Parties.
11. **Compliance with Laws.** Each party accepts responsibility for compliance with federal, state, or local laws and regulations including, in particular, that party's bidding requirements applicable to the acquisition of any goods, services, or equipment obtained through the cooperative process agreed to herein.

12. **Indemnification.**

Indemnification. Auburn agrees to indemnify, defend and hold Federal Way, its elected officials, officers, employees, agents, and volunteers harmless from any and all claims, demands, losses, actions and liabilities (including costs and all attorney fees) to or by any and all persons or entities, including, without limitation, their respective agents, licensees, or representatives, arising from, resulting from, or connected with this Agreement resulting from any action or omission of the RCM during such time that the RCM performs services under this Agreement for Auburn.

Federal Way Indemnification. Federal Way agrees to indemnify, defend and hold Auburn, its elected officials, commissioners, officers, employees, agents and volunteers harmless from any and all claims, demands, losses, actions and liabilities (including costs and attorney fees) to or by any and all persons or entities, including without limitation, their respective agents, licensees, or representatives, arising from, resulting from or connected with this Agreement resulting from any action or omission of the RCM during such time that the RCM performs services under this Agreement for Federal Way.

Survival. The provisions of this Section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

13. **Contact Persons.** The Parties stipulate that the following persons shall be the contact person for their respective jurisdiction.

a. City of Auburn:

Steven Burke
25 W Main Street
Auburn, WA 98001-4998
Office: 253.876.1946/Fax: 253.333.8890

b. City of Federal Way:

Bryant Enge
33325 8th Ave S
PO Box 9718
Federal Way, WA 98063-9718
Office: (253) 835-2510/Fax: (253) 835-2409

14. **Filing.** A copy of this Agreement shall be filed with the City Clerk of the City of Federal Way, and the City Clerk for Auburn and recorded with the King County Auditor, if required by law.

15. **General Provisions.** This Agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement. No provision of this Agreement may be amended or modified except by written agreement signed by the Parties. This Agreement shall be binding upon and inure to the benefit of the Parties' successors in interest, heirs and assigns. Any provision of this Agreement which is declared invalid or illegal shall in no way affect or invalidate any other provision. In the event either of the Parties defaults on the performance of any terms of this Agreement or either Party places the enforcement of this Agreement in the hands of an attorney, or files a lawsuit, each Party shall pay all its own attorneys' fees, costs and expenses. The venue for any dispute related to this Agreement shall be King County, Washington. Failure of the City to declare any breach or default immediately upon the occurrence thereof, or delay in taking any action in connection with, shall not waive such breach or default. Time is of the essence of this Agreement and each and all of its provisions in which performance is a factor.

16. **Non-Discrimination.** The Parties shall not discriminate in any manner on the basis of any protected class status as defined by Title VII of the Civil Rights Act and the Revised Code of Washington 49.60 Washington Law Against Discrimination.

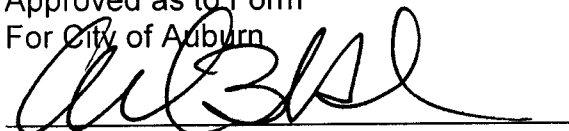
IN WITNESS WHEREOF the Parties have hereunto placed their hand and seals on the day and year indicated.

CITY OF AUBURN

BY: _____
Peter B. Lewis, Mayor

Date: _____

Approved as to Form
For City of Auburn


Daniel B. Heid, City Attorney

ATTEST: This ____ day of
_____, 20____.

Danielle E. Daskam, City Clerk

CITY OF FEDERAL WAY

BY: _____
City Manager/Police Chief, Brian Wilson

Date: _____

Approved as to Form
for City of Federal Way

City Attorney, Patricia A. Richardson,

ATTEST: This ____ day of
_____, 20____.

Federal Way City Clerk
Carol McNeilly, CMC

Shared RCM Assistance for Local Governments

What is a Resource Conservation Manager?

A Resource Conservation Manager (RCM) is a designated individual who supports a local government energy and resource efficiency program. The RCM's sole focus is to bring about reductions in the expenditures for energy, water, natural gas, fuel oil, solid waste disposal and other utilities. This is done through improved use practices, greater attention to utility billings and the installation and use of resource management equipment.

Why should cities and counties be interested in an RCM program?

Many local governments have not had the staff time or expertise needed to address resource waste in their facilities. The reduction of energy or other utility costs can free up valuable funds for basic

government services and help achieve community energy and environmental goals.

Has this approach been successful in the public sector?

School districts in the Northwest were the first to adopt this approach and many have RCM programs that have been successful since the early 1990s. During the first years of a RCM program, typical savings reach 10 percent of utility costs. Puget Sound Energy supports successful RCM programs in the private sector and at a number of public sector agencies. There are over 75 RCMs in Washington right now.

What is the WSU Extension Energy Program offering?

The Washington State University (WSU) Extension Energy

Program, in cooperation with the Department of Commerce, will support the creation and successful implementation of new RCM programs. Many local governments would like to have an RCM program, but do not have utility bills large enough to make it cost effective to dedicate someone to it. The approach will be to create a shared RCM position that will serve several local governments in a geographic area.

How will the WSU Extension Energy Program help cities and counties?

We plan to offer assistance with:

- Identifying potential partners
- Organizing start-up of the local program
- The hiring process
- Training for RCM and other staff
- Energy accounting software and training
- Ongoing technical and program support

How will the WSU Extension Energy Program choose who receives assistance?

Areas will be targeted where there are currently no RCM programs and there is potential to serve several local governments. Program details are still being refined. Let us hear from you about how to support a successful program.

Contact Karen Messmer
WSU Extension Energy Program
messmerk@energy.wsu.edu
(360) 956-2090

Will local governments get funding assistance?

Yes, incentive/funding will pay for part of the RCM salary for the first and second years. Once the program is established, it is expected that resource savings will help pay for the position in later years.

What types of shared programs will receive assistance?

While the focus is on counties and smaller cities, any county or city is eligible for assistance. A combined effort will make the program more cost effective. For example, several cities, a county, and potentially other government entities (e.g., school district or port) could join together to create a local RCM program.

The intent is to create a shared RCM program for local governments that currently have combined annual utility expenses of at least \$1.5 million. This includes the participants' electricity, natural gas, transportation fuel, water, solid waste, and recycling costs.

Schedule for program implementation:

September 2009 –

Begin training potential candidates for RCM positions

Fall 2009 –

Recruit and begin working with local governments

January 2010 –

Program infrastructure in place

2010–2011 –

Continue training, as well as program and technical support

For more background on resource conservation management, visit www.energy.wsu.edu/projects/rem/rcm.cfm.

This program is a part of the Washington State Department of Commerce statewide Energy Planning Program. Final details and program schedule are draft – pending approval of the Department's application to the U.S. Department of Energy. Compliance with Recovery Act requirements including Buy American, Davis-Bacon Act and reporting will apply.

WASHINGTON STATE UNIVERSITY
EXTENSION ENERGY PROGRAM



Department of Commerce
Innovation is in our nature.